

MONTANA PUBLIC EMPLOYEES' RETIREMENT BOARD

TITLE: Disability Investigator

POLICY: BOARD Op 04

EFFECTIVE DATE: 7/22/2004

I. POLICY AND OBJECTIVES

It is the policy of the Public Employees' Retirement Board (the Board) that a private investigator will be hired to investigate disability cases as a measure to prevent payment of benefits under fraudulent circumstances.

The Board is promulgating this policy for the sole purpose of establishing procedures to be followed in cases when serious potential for fraud exists. There is no intent to diminish the statutory authority of the Board to determine whether or not a member has become disabled. The Board will deny disability retirement to any applicant who is not eligible.

II. APPLICABILITY

This policy applies to the initial application for disability and disability reviews, and applies to all systems administered by the Board.

III. PROCEDURES

- A. An application for disability retirement must be supported by sufficient medical data; otherwise the staff will recommend disapproval.
- B. The Disability Claims Examiner and the medical professionals under contract to evaluate information supporting an application for disability retirement will be responsible for the initial evaluation of whether or not serious potential for fraud exists.
- C. For initial applications for disability retirement, serious potential for fraud exists if:
 - 1. The accuracy of the data is questionable.

2. The member submitted the application for disability retirement within three months of meeting vesting requirements.
 3. The time from injury to application for disability retirement is longer than expected for the type of injury, or the time from termination to application for disability retirement is more than 4 months.
 4. The member is reluctant or refuses to provide requested information.
 5. The circumstances of employment or termination are controversial, e.g., disciplinary action or the member is suing for wrongful discharge.
 6. The employer reports no knowledge of medical problems and no accommodations were requested prior to the member's termination or application for benefits.
- D. For periodic reviews of disability status, serious potential for fraud exists if:
1. The accuracy of the data is questionable.
 2. New medical data submitted by the member conflicts with previous data.
 3. Earnings statements indicate the member is fully employed.
 4. The member develops a new disability whenever a previous disability no longer qualifies for disability retirement.
 5. The member submitted the application for disability retirement within three months of meeting vesting requirements.
 6. The time from injury to application for disability retirement was longer than expected for the type of injury, or the time from termination to application for disability retirement was more than 4 months.
 7. The member is reluctant or refuses to provide requested information.
 8. The circumstances of employment or termination were controversial, e.g., disciplinary action or the member is suing for wrongful discharge.
- E. The Disability Claims Examiner will provide a report to the Montana Public Employee Retirement Administration (MPERA) management staff explaining the details of any disability case which meets the above criteria for serious potential for fraud and cannot be resolved through routine correspondence.

- F. The staff and Board attorney will thoroughly review the case to determine if there is sufficient reason to believe fraud may be involved and whether or not an investigation will be cost effective.
- G. The MPERA will continue to investigate the case, including hiring a private investigator, if there is reason to believe fraud is involved and the investigation will be cost effective.
- H. All cases with serious potential for fraud will be reported to the Board whether or not an investigation is or will be carried out.

IV. CROSS REFERENCE GUIDE

The following laws, rules or policies may contain provisions that might modify a decision relating to hiring a private investigator if there is reason to believe fraud is involved. This list should not be considered exhaustive - other policies may apply.

Section 19-2-303(18), MCA
Section 19-2-403, MCA
Section 19-2-406, MCA
Section 19-2-903, MCA
Section 19-2-1009, MCA
ARM 2.43.502
ARM 2.43.508 through 2.43.515

V. HISTORY

D10-95 Investigation of Disability Claims
Originally Approved October 1995
Amended July 22, 2004